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**Presentation to Interim Legislative Committee January 23, 2012**

**Medicaid rates for Children's Mental Health Services to Providers**

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1. Most of the providers for out of home and in home services are established (and mostly non-profit) to serve the poorest families such that Medicaid is our rate for most all of our services meaning there are few private payers to balance low Medicaid rates but does insure that we are established and committed to serving the poor.
2. Chart showing just one service and rates versus expenses. My rationale in analyzing rates is to look at what it would cost if the government did it and fund it at that level. What most cost studies show is providers spend what they have and some of the providers I know either live on fees and others have fundraising level that allow greater costs.
3. I believe the original rates that were set in the early 90's with refinancing of many services into Medicaid were reasonably fair but rates have not kept up with cost increases to simply maintain services. (See attached chart).
4. I think it would fair, as a provider of actual services delivered to Montanans that rates should be increased at the same level State Government are adjusted to "current law" which it is not.

Thank you for the chance to make these points.

## Therapeutic Group Care Costs

Rate	\$	183.98
	\$	183.98

	Provider Costs at Base Wages			Estimated State Costs		
	Wage	Hours	Cost	Wage	Hours	Cost
Counselors	10.5	8045	\$ 105,591	15	8045	\$ 150,844
Relief	10	2414	\$ 30,169	15	2414	\$ 45,253
Managers	18	2080	\$ 46,800	21	2080	\$ 54,600
Therapists	20	2080	\$ 52,000	24	2080	\$ 62,400
Total Staff Wages			\$ 234,559			\$ 313,097
Supporting Costs	0.5		\$ 117,280	0.5		\$ 156,548
Total Treatment Costs			\$ 351,839			\$ 469,645
Cost per day			\$ 963.94			\$ 1,286.70
Cost/Client	6		\$ 160.66	6		\$ 214.45
Difference			\$ 23.32			\$ (30.47)
Occupancy @ 90%	5.4		\$ 178.51	5.4		\$ 238.28
Difference			\$ 5.47			\$ (54.30)
Occupancy @ 80%	4.8		\$ 200.82	4.8		\$ 268.06
Difference			\$ (16.84)			\$ (84.08)

Youth Homes as Example  
**Comparison of Out of Home Care Rates**  
**Using Social Security Administration set COLA**  
 FY96 Through FY12  
 23-Jan-12

Service	FY96 Actual Rate	FY12 Actual Rate	Actual Rate of Increase %	Rate Adjusted COLA	Comp to COLA %	Daily Loss in Rate	Loss to COLA %
Therapeutic Foster Care Moderate	70.00	77.19	10.27%	106.67	-52.39%	29.48	27.64%
Therapeutic Group Care Intensive	190.00	224.98	18.41%	289.51	-52.37%	64.53	22.29%
Residential Treatment Centers	218.00	298.77	37.05%	332.18	-52.38%	33.41	10.06%
Cost for Health Insurance (Per Person)	64.82	294.15	353.80%				
Gallon of Gas	1.079	2.999	177.94%				
Liability Insurance (Property & Auto)	19604	44032	124.61%				
Utilities for 1 Group Home/Year	3512	7153	103.70%				
Starting Line Counselor Hourly Wage	6.75	10.00	48.15%				

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